

REVENUE - STATE

State support for the operation of the public schools is derived primarily from the Basic State Aid appropriation. The sum appropriated to each school division from this source is based on the application of an established cost-per-pupil (for each locality) as determined by the state for each pupil in average daily membership (ADM). This sum, minus the state sales and use tax, and the ability of the locality to support its public schools establishes the contribution by the state.

For 2007-2008, the per-pupil rate for the majority of state revenue accounts remains at the same level as 2006-2007. However, student enrollment is projected to decrease by 575 students. This results in a decrease in state funding for the following accounts: Career and Technical Education, Special Education, Gifted and Talented, FICA, Remedial Education, Textbooks, At Risk, Class Size Reduction, and Lottery. Additional state aid is received in other categories according to specific guidelines established by the State Department of Education. Major sources of state revenue are highlighted below.

Basic Aid: Funding is established at \$5,222 per pupil in average daily membership minus the state sales and use tax, and the local share based on the financial ability of the locality (composite index at .3186) as prescribed by the state formula. Funding was \$5,214 per pupil for 2006-2007. The increase for the 2007-2008 per-pupil funding and subtraction for sales tax is not enough to offset the drop in student enrollment. The result is a decrease in the contribution.

Career and Technical Education: Funding is established at \$96 per pupil in average daily membership minus the local share based on the financial ability of the locality as prescribed by the state formula. A portion of the revenue in this category results from state support for adult education, occupational and technology education, and for on-site administration of a career and technical education high school. Funding is \$96 per pupil for 2006-2007.

Special Education: Funding is established at \$532 per pupil in average daily membership minus the local share based on the financial ability of the locality as prescribed by the state formula. Funding was \$532 for 2006-2007. Additionally, a portion of the revenue in this category results from state support for homebound instruction, foster home children, and regional tuition payments.

Gifted and Talented: Funding is established at \$40 per pupil in average daily membership minus the local share based on the financial ability of the locality as prescribed by the state formula. Funding was \$40 per pupil for 2006-2007.

VRS Contribution, Social Security Benefits, and Group Life Insurance: The state share of each payment is based upon a per-pupil amount for each student in average daily membership minus the local share based on the financial ability of the locality.

For 2007-2008, the state budget increases the retiree health care credit (paid as part of the VRS per pupil amount) and the regular VRS rate. Those increases offset the effect of the loss of enrollment and result in increased VRS revenue. FICA revenue is projected to decrease due to a drop in enrollment with no corresponding increase in per-pupil rate to offset the loss. The group life per-pupil rate decreased and, when combined with the loss of enrollment, results in a decrease over 2006-2007.

The per-pupil amounts for 2007-2008 are as follows: VRS - \$345; FICA \$230; Group Life - \$12. Funding for 2006-2007 was VRS - \$292; FICA - \$230; Group Life - \$14.

REVENUE - STATE

(continued)

Remedial Education: Funding is established at \$64 per pupil in average daily membership minus the local share based on the financial ability of the locality based on the financial ability of the locality as prescribed by the state formula. Funding was \$64 per pupil for 2006-2007.

Remedial Summer School: Funding is established at \$412 per remedial student attending elementary or secondary summer school minus the local share based on the financial ability of the locality as prescribed by the state formula. For 2006-2007, funding was \$412 per remedial student.

Textbooks: Funding is established at \$100.28 per pupil in average daily membership minus the local share based on the financial ability of the locality as prescribed by the state formula. Funding is based on a system of free textbooks. Funding was \$100.28 per pupil for 2006-2007.

State Sales Tax: The state annually distributes to the school system a portion of the state sales tax revenue (1-1/8%) designated for the support of public education. The amount received each year is determined by the amount of total state collections and the triennial school census. The budgeted sales tax amount for 2007-2008 is based on an estimate by the state Department of Taxation of Chesapeake's share of statewide sales tax revenue.

Forest Reserve: The U.S. Fish and Wildlife and Minerals Management Service distributes funds generated from the leasing of lands required for flood control and navigation. In Virginia these funds are used in support of public education. The projected revenue is based on actual receipts in 2005-2006.

At Risk: Special funding is included to support programs for students who are educationally at risk. An additional allocation of Basic Aid is provided based on a percentage of students in Chesapeake who are eligible for the free lunch program.

ESL: Funding has been included to assist with students who speak English as a second language. The funding formula is based on the number of students served minus the local share based on the financial ability of the locality as prescribed by the state formula.

REVENUE - STATE					
REVENUE ACCOUNT	2005-2006 BUDGET	2005-2006 REVENUE	2006-2007 BUDGET	2007-2008 BUDGET	INCREASE/ DECREASE
Basic Aid	99,811,095	96,591,083	111,418,247	107,276,352	-4,141,895
Career and Technical Education	2,877,430	2,768,846	2,938,903	2,744,480	-194,423
Special Education	19,855,223	19,398,929	21,188,376	20,821,877	-366,499
Gifted and Talented	1,036,116	1,021,572	1,083,399	1,044,014	-39,385
VRS Contributions	5,618,833	5,107,860	8,028,981	9,004,619	975,638
FICA Contributions	5,940,575	5,430,461	6,229,543	6,003,079	-226,464
Group Life Insurance	0	0	406,275	313,204	-93,071
Remedial Education	1,840,201	1,814,414	1,745,125	1,681,150	-63,975
Remedial Summer School	1,326,278	1,342,005	1,488,467	1,760,148	271,681
Textbooks	1,721,043	1,696,885	2,757,521	2,617,343	-140,178
State Sales Tax	37,721,590	38,421,932	44,863,251	42,586,884	-2,276,367
Forest Reserve Payments	17,455	2,346	17,455	2,300	-15,155
At Risk	1,111,409	1,095,834	1,214,264	1,007,224	-207,040
ESL	195,853	269,995	434,617	436,693	2,076

REVENUE - STATE

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Enrollment Loss: Funding provides supplemental revenue for the state share per pupil amount. The amount is determined by applying a weighted formula to the difference in adjusted ADM for the prior and current year.

Salary Supplement: Funding is included in 2007-2008 state revenue for a 3% salary increase effective December 1, 2007, for instructional and support positions funded through the SOQ and other state funded accounts. A 4% supplement for instructional positions and 3% supplement for support positions effective December 1, 2006, was included in the 2006-2007 budget.

Class Size: Funding is included to reduce class size in grades K-3 in all schools housing those grades. The pupil teacher ratios funded range from 14:1 to 20:1, with the lower ratios provided at schools with higher free and reduced lunch percentages.

Reading Intervention: Funding is provided for early intervention services to primary grade students. The number of eligible students is determined by PALS (Phonological and Literacy Screening) diagnostic test or free lunch eligibility if PALS is not available.

Lottery Proceeds: Funding is provided for Chesapeake's share of lottery proceeds. Lottery funding decreases in 2007-2008, due to the revised estimated impact of the North Carolina lottery and drop in student enrollment.

SOL Algebra Readiness: Funding is provided for math intervention services to students in grades 6, 7, and 8 who are at risk of failing the Algebra I end of course test.

School Construction: Funding provides for non-recurring costs including school construction, additions, infrastructure, site acquisition, renovations, technology, and other expenditures related to modernizing classroom equipment. Funding is based on a formula using prior year actual ADM minus the local share based on the financial ability of the locality, as prescribed by state formula, times the remaining grant balance.

REVENUE - STATE					
REVENUE ACCOUNT	2005-2006 BUDGET	2005-2006 REVENUE	2006-2007 BUDGET	2007-2008 BUDGET	INCREASE/ DECREASE
Enrollment Loss	0	141,439	795,956	1,589,696	793,740
Salary Supplement	2,044,965	2,016,260	2,383,477	7,229,796	4,846,319
Class Size	1,816,047	1,890,465	2,260,175	2,256,712	-3,463
Reading Intervention	370,091	366,566	392,922	452,796	59,874
Lottery Proceeds	6,686,763	6,476,766	6,306,193	5,767,915	-538,278
SOL Algebra Readiness	244,643	237,395	264,602	251,322	-13,280
School Construction	666,407	666,771	664,366	652,420	-11,946
Miscellaneous	0	116,266	0	0	0
TOTALS	190,902,017	186,874,090	216,882,115	215,500,024	-1,382,091

REVENUE - FEDERAL

This revenue is anticipated from the federal government for our students that are federally connected. A federally connected student is one whose parents either 1) live and work on federal property, or 2) live or work on federal property.

For 2007-2008, the total amount of funding is projected to be \$3,000,000.

REVENUE - GENERAL FUND

Local support for the operation of the public schools is derived primarily from a general fund appropriation from the city. The general fund appropriation is comprised of money from local tax collections. The revenue shown assumes \$2 million above the funding target provided by the city.

REVENUE - OTHER LOCAL

Other local funds are derived from sources generated by the school division such as rent, tuition, printing, and recoveries and rebates.

Rent: Revenue resulting from building and property rental.

Sale of Materials: Charges for transcripts and lost diplomas.

Printing: Revenue resulting from the sale of printing services to the city, schools, and other governmental agencies.

Tuition - Regular: Tuition charges for nonresident pupils and pupils from the Southeastern Virginia Training Center.

Tuition - Summer School: 2007-2008 tuition charges for secondary pupils attending summer school will be:

- Regular Program - \$135
- Nonresident of Chesapeake, Regular Program - \$335
- Driver Education (all phases) - \$135
- Driver Education (classroom only) - \$65
- WFOS Nonresident Tuition - \$170

Tuition - Adult Education: Tuition charges for adult classes are \$2.00/instructional hour. Nonresidents will pay \$4.00/instructional hour.

Insurance Claims: Insurance recoveries for damage to school property.

Recoveries and Rebates: Revenue resulting from miscellaneous sources (e.g., reimbursement for vandalized property, refunds for jury duty, worker compensation payments, planetarium fees, and ROTC reimbursement).

Sale of Equipment: Sale of obsolete service vehicles, school buses, and equipment.

REVENUE - FEDERAL

REVENUE ACCOUNT	2005-2006 BUDGET	2005-2006 REVENUE	2006-2007 BUDGET	2007-2008 BUDGET	INCREASE/ DECREASE
Aid to Federally Impacted Areas	3,100,000	2,942,579	3,345,185	3,000,000	-345,185
TOTALS	3,100,000	2,942,579	3,345,185	3,000,000	-345,185

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REVENUE - LOCAL					
REVENUE ACCOUNT	2005-2006 BUDGET	2005-2006 REVENUE	2006-2007 BUDGET	2007-2008 BUDGET	INCREASE/ DECREASE
General Fund	149,149,921	153,198,527	167,250,166	183,941,685	16,691,519
Other Local					
Rent	1,076,000	1,128,046	1,138,000	1,138,000	0
Sale of Materials	25,000	2,318	25,000	25,000	0
Printing	195,000	190,351	195,000	195,000	0
Tuition - Regular School	90,000	56,927	90,000	90,000	0
Tuition - Summer School	200,000	198,560	205,000	205,000	0
Tuition - Adult Education	71,000	73,692	71,000	71,000	0
Insurance Claims	35,000	14,455	35,000	35,000	0
Recoveries and Rebates	505,000	611,978	505,000	505,000	0
Sale of Equipment	30,000	9,140	30,000	30,000	0
Driver Education Fee	110,000	135,175	115,000	115,000	0
Other Local Total	2,337,000	2,420,642	2,409,000	2,409,000	0
LOCAL REVENUE TOTAL	151,486,921	155,619,169	169,659,166	186,350,685	16,691,519

BUDGET SUMMARY - REVENUE

REVENUE SOURCE	2005-2006 BUDGET	2005-2006 REVENUE	2006-2007 BUDGET	2007-2008 BUDGET	INCREASE/ DECREASE
State	190,902,017	186,874,090	216,882,115	215,500,024	-1,382,091
Federal	3,100,000	2,942,579	3,345,185	3,000,000	-345,185
Local:					
General Fund	149,149,921	153,198,527	167,250,166	183,941,685	16,691,519
Other	2,337,000	2,420,642	2,409,000	2,409,000	0
Local Total	151,486,921	155,619,169	169,659,166	186,350,685	16,691,519
GRAND TOTALS	345,488,938	345,435,838	389,886,466	404,850,709	14,964,243